Regulation 39-26-106.3. Tax Rate – Temporary Reduced Rate on Commercial Trucks over 26,000 GVWR – Subject to Excess State Revenues.

1) The reduction of the state sales tax rate on heavy trucks allowed by section 39-26-106(3) C.R.S. is effective on July 1 of certain years with sufficient excess revenues, for all sales entered into on or after July 1 of qualifying years. Sales entered into before July 1, 2001 or sales entered into during a disqualified year are subject to the tax rate imposed under section 39-16-106(1) even though the payment may be made after the effective date of a rate reduction. A lease transaction is subject to the rate of tax in effect at the first day of the lease for the entire life of the lease.

2) Definitions –

- (a) "State fiscal year" means every twelve month period commencing 12:00 a.m. July 1 of one calendar year and ending 11:59 p.m. June 30 of the following calendar year. The fiscal year is designated as the fiscal year number of the June 30 year. Thus June 30, 1999 is the last day of the 1999 fiscal year, and June 30, 2000 is the last day of the 2000 fiscal year.
- (b)"Heavy trucks" means every new or used commercial truck, truck tractor, tractor, semi-trailer, or vehicle used in combination therewith that has a gross vehicle weight rating in excess of twenty-six thousand pounds.
- 3) The state sales and use tax rate of one one-hundredth of one percent (0.0001) on heavy trucks tax pursuant to section 39-26-106(3)(a), C.R.S. is available in any given tax year only if state revenues exceed the limitation on state fiscal year spending by the amounts established in section 39-26-106(3)(a). Each March the revenue estimate prepared by the staff of the legislative council for the fiscal year in progress and ending June 30 will be used to determine the presence of sufficient excess revenues for the fiscal year. See regulation 39-22-120 for which fiscal years had excess revenues sufficient to trigger the tax rate reduction for the following fiscal year.
- 4) The state sales tax rate reduction applies only to new or used commercial truck, truck tractor, tractor, semitrailer or vehicles used in combination therewith that have a gross vehicle weight rating in excess of twenty-six thousand pounds.
- 5) The full rate of district, county or municipal sales tax remains in effect in all years.